

Section 1713, act Mar. 21, 1945, ch. 29, §3, 59 Stat. 36, related to pay and allowances of appointees under sections 1711 to 1715 of this Appendix.

Section 1714, act Mar. 21, 1945, ch. 29, §4, 59 Stat. 36, related to rank and pay on retirement of appointees under sections 1711 to 1715 of this Appendix.

Section 1715, act Mar. 21, 1945, ch. 29, §5, 59 Stat. 37, provided for the termination of sections 1711 to 1715 of this Appendix six months after the termination of the wars in which the United States was engaged as proclaimed by the President or such earlier date as Congress, by concurrent resolution, might fix. Cessation of hostilities of World War II, eff. twelve o'clock noon, Dec. 31, 1946, was proclaimed by the President in Proc. No. 2714, Dec. 31, 1946, 12 F.R. 1. The Treaty of Peace with Japan, signed at San Francisco on Sept. 8, 1951, was ratified by the United States Senate on Mar. 20, 1952 and came into force on Apr. 28, 1952. See Termination of State of War notes set out preceding section 1 of this Appendix.

PERMANENT APPOINTMENT

Section 2 of act Mar. 23, 1946, ch. 112, 60 Stat. 60, provided for permanent appointment in grade of General in Regular Marine Corps of General Alexander A. Vandegrift. Section also provided for full pay upon retirement.

ADMIRAL IN COAST GUARD

ACT MAR. 21, 1945, CH. 30, 59 STAT. 37

§§ 1721 to 1725. Repealed. Pub. L. 101-225, title III, §307(15), Dec. 12, 1989, 103 Stat. 1925

Section 1721, act Mar. 21, 1945, ch. 30, §1, 59 Stat. 37, established grade and rank of Admiral in Coast Guard and provided for appointment of Commandant of Coast Guard thereto.

Section 1722, act Mar. 21, 1945, ch. 30, §2, 59 Stat. 37, related to appointment without examination, tenure and effect on permanent or temporary status.

Section 1723, act Mar. 21, 1945, ch. 30, §3, 59 Stat. 37, related to pay and allowances of appointees under sections 1721 to 1725 of this Appendix.

Section 1724, act Mar. 21, 1945, ch. 30, §4, 59 Stat. 37, related to rank and pay on retirement of appointees under sections 1721 to 1725 of this Appendix.

Section 1725, act Mar. 21, 1945, ch. 30, §5, 59 Stat. 37, provided for termination of sections 1721 to 1725 of this Appendix six months after termination of wars in which United States was engaged as proclaimed by President or such earlier date as Congress, by concurrent resolution, might fix. Cessation of hostilities of World War II, eff. twelve o'clock noon, Dec. 31, 1946, proclaimed by President in Proc. No. 2714, Dec. 31, 1946, 12 F.R. 1. Treaty of Peace with Japan, signed at San Francisco on Sept. 8, 1951, ratified by United States Senate on Mar. 20, 1952, and came into force on Apr. 28, 1952. See Termination of State of War notes set out preceding section 1 of this Appendix.

PERMANENT APPOINTMENT

Section 3 of act Mar. 3, 1946, ch. 112, 60 Stat. 60, provided for permanent appointment in grade of Admiral in Coast Guard of Admiral Russell R. Waesche. Section also provided for full pay upon retirement.

EXCEPTION OF NAVY OR COAST GUARD VESSELS FROM CERTAIN NAVIGATION RULES

ACT DEC. 3, 1945, CH. 511, 59 STAT. 590

§§ 1731, 1732. Transferred

CODIFICATION

Section 1731, act Dec. 3, 1945, ch. 511, §1, 59 Stat. 590, which related to an exemption from requirements as to

number, position, etc., of lights for vessels of special construction, was transferred to section 360 of Title 33, Navigation and Navigable Waters, and was subsequently repealed by Pub. L. 96-591, §8(a), Dec. 24, 1980, 94 Stat. 3435.

Section 1732, act Dec. 3, 1945, ch. 511, §2, 59 Stat. 591, which related to publication of notice of findings or certification and character and number of lights, was transferred to section 360a of Title 33, Navigation and Navigable Waters, and was subsequently repealed by Pub. L. 96-591, §8(a), Dec. 24, 1980, 94 Stat. 3435.

SALE OF SURPLUS WAR-BUILT VESSELS

ACT MAR. 8, 1946, CH. 82, 60 STAT. 41

Sec.

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1738.

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(c) Laws applicable to charter hire.

(d) Repealed.

(e) Proceedings and findings; extension of charters.

(f) Charter of passenger vessels.

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1741.

Exchange of vessels.

(a) to (c) Repealed.

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Repealed.

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Repealed.

1744.

National Defense Reserve Fleet.

(a) Fleet components.

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(c) Ready Reserve Force management.

(e) Exemption from tank vessel construction standards.

1745.

Reconversion of vessels for normal commercial operation; applicability of other laws to construction contracts; coastwise trade; disposition of moneys; Great Lakes trade.

1745a, 1746.

Repealed.

ACT REFERRED TO IN OTHER SECTIONS

This Act is referred to in title 40 section 270f.

§ 1735. Declaration of policy

(a) It is necessary for the national security and development and maintenance of the domestic and the export and import foreign commerce of the United States that the United States have an efficient and adequate American-owned merchant marine (1) sufficient to carry its domestic water-borne commerce and a substantial portion of its water-borne export and import foreign commerce and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times; (2) capable of serving as a naval and military auxiliary in time of war or national emergency; (3) owned and operated under the United States flag by citizens of the United States; (4) composed of the best-equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel; and (5) supplemented by efficient American-owned facilities for shipbuilding and ship repair, marine insurance, and other auxiliary services.

(b) It is hereby declared to be the policy of this Act [sections 1735 to 1746 of this Appendix] to foster the development and encourage the maintenance of such a merchant marine.

(Mar. 8, 1946, ch. 82, §2, 60 Stat. 41.)

SHORT TITLE

Section 1 of act Mar. 8, 1946, provided that: "This Act [enacting this section and sections 1736 to 1746 of this Appendix] may be cited as the 'Merchant Ship Sales Act of 1946'."

TERMINATION DATE

Section 14 of act Mar. 8, 1946, as amended June 28, 1947, ch. 161, §1, 61 Stat. 190; Feb. 27, 1948, ch. 78, §1(a), 62 Stat. 38; Feb. 28, 1949, ch. 12, 63 Stat. 9; June 29, 1949, ch. 281, §1, 63 Stat. 349; June 30, 1950, ch. 427, §1, 64 Stat. 308; Aug. 17, 1950, ch. 725, 64 Stat. 452, provided that: "No contract of sale shall be made under this Act [sections 1735 to 1746 of this Appendix] after January 15, 1951, and no contract of charter shall be made under this Act [sections 1735 to 1746 of this Appendix] after June 30, 1950, except as provided for charter under subsections (e) and (f) of section 5 hereof, as amended [section 1738(e), (f) of this Appendix]."

DETERMINATION OF SELLING PRICE

Elements to be considered in determination of the selling price of vessels, see section 864b of Title 46, Appendix, Shipping.

GREAT LAKES VESSELS

Section 3 of act Sept. 28, 1950, ch. 1093, 64 Stat. 1078, provided: "Contracts for the sale of vessels for exclusive use on the Great Lakes, including the Saint Lawrence River and Gulf and their connecting waterways, may be made until December 31, 1950. Such contracts shall require that transfer to the Great Lakes of such vessels by the buyers shall be completed by December 31, 1951."

§ 1736. Definitions

As used in this Act [sections 1735 to 1746 of this Appendix] the term—

(a) "Secretary" means the Secretary of Transportation.

(b) to (f) Repealed. Pub. L. 101-225, title III, §307(12), Dec. 12, 1989, 103 Stat. 1925.

(g) "Citizen of the United States" includes a corporation, partnership, or association only if it is a citizen of the United States within the meaning of section 2 of the Shipping Act of 1916, as amended [46 App. U.S.C. 802, 803]. The term "affiliated interest" as used in sections 9 and 10 of this Act [sections 1742 and 1743 of this Appendix] includes any person affiliated or associated with a citizen applicant for benefits under this Act [sections 1735 to 1746 of this Appendix] who the Secretary, pursuant to rules and regulations prescribed hereunder, determines should be so included in order to carry out the policy and purposes of this Act [said sections].

(Mar. 8, 1946, ch. 82, §3, 60 Stat. 41; Pub. L. 97-31, §12(153), Aug. 6, 1981, 95 Stat. 167; Pub. L. 101-225, title III, §307(12), Dec. 12, 1989, 103 Stat. 1925.)

AMENDMENTS

1989—Subsecs. (b) to (f). Pub. L. 101-225 struck out subsecs. (b) to (f) which defined "war-built vessel", "prewar domestic cost", "statutory sales price", "domestic war cost", and "cessation of hostilities", respectively.

1981—Subsec. (a). Pub. L. 97-31, §12(153)(A), (B), substituted "Secretary" for "Commission" and "Secretary of Transportation" for "United States Maritime Commission".

Subsecs. (c) to (e), (g). Pub. L. 97-31, §12(153)(C), substituted "Secretary" for "Commission" wherever appearing.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1738, 1739 of this Appendix; title 46 App. section 864a.

§ 1737. Repealed. Pub. L. 101-225, title III, §307(12), Dec. 12, 1989, 103 Stat. 1925

Section, acts Mar. 8, 1946, ch. 82, §4, 60 Stat. 43; June 12, 1960, Pub. L. 86-518, §1, 74 Stat. 216; Aug. 6, 1981, Pub. L. 97-31, §12(154), 95 Stat. 167, provided for sales of vessels to citizens, sales price, down payment and installment payments, and restrictions on vessel operations.

§ 1738. Charter of vessels

(a), (b) Repealed. Pub. L. 101-225, title III, §307(12), Dec. 12, 1989, 103 Stat. 1925

(c) Laws applicable to charter hire

The provisions of sections 708, 709, 710, 712, and 713 of the Merchant Marine Act, 1936, as amended [46 App. U.S.C. 1198 to 1200, 1202, 1203], shall be applicable to charters made under this section.

(d) Repealed. Pub. L. 101-225, title III, §307(12), Dec. 12, 1989, 103 Stat. 1925

(e) Proceedings and findings; extension of charters

(1) Notwithstanding the provisions of sections 11 and 14 of this Act, as amended [sections 1744 and 1735 note of this Appendix], war-built dry-cargo vessels owned by the United States on or after June 30, 1950, may be chartered pursuant to this Act [sections 1735 to 1746 of this Appendix] for bareboat use in any service which, in the opinion of the Maritime Administration, is required in the public interest and is not adequately served, and for which privately owned American flag vessels are not available for charter by private operators on reasonable conditions and at reasonable rates for use in such service. No charters shall be made by the Secretary of Transportation under authority of this subsection until the Maritime Administration shall have given due notice to all interested parties and shall have afforded such parties an opportunity for a public hearing on such charters and shall have certified its findings to the Secretary of Transportation. The Secretary of Transportation is authorized to include in such charters such restrictions and conditions as the Maritime Administration determines to be necessary or appropriate to protect the public interest in respect of such charters and to protect privately owned vessels against competition from vessels chartered under this section: *Provided, however*, That all such charters shall contain a provision that they will be reviewed annually by the Maritime Administration, with recommendations to the Secretary of Transportation, for the purpose of determining whether conditions exist justifying continuance of the charters under the provisions of this subsection.

(2) A charter existing on June 30, 1950, with respect to a war-built dry-cargo vessel may be extended to October 31, 1950, if application is made within ten days after the enactment hereof [June 30, 1950] for the charter of such vessel under this subsection and if the Secretary of Transportation deems such extension is justified in accordance with the provisions of subdivision (1) of this subsection: *Provided, however*, That a new voyage under such extended charter shall not be begun after October 31, 1950, unless it has been determined prior to such date, in accordance with the procedure set forth in this sub-

section, that the continued use of the vessel in the service is required. The Maritime Administration shall conduct all hearings on applications made under this paragraph immediately upon receipt thereof and shall promptly certify its findings to the Secretary of Transportation, provided that all such certifications shall be made not later than October 31, 1950.

(f) Charter of passenger vessels

(1) Notwithstanding the provisions of sections 11 and 14 of this Act, as amended [sections 1744 and 1735 note of this Appendix], the Secretary of Transportation may charter any passenger vessel, whether or not war-built, owned by the United States on or after June 30, 1950, pursuant to title VII of the Merchant Marine Act, 1936, as amended [46 App. U.S.C. 1191 et seq.] and may charter any war-built passenger vessel owned by the United States for use in the domestic trade of the United States, under the conditions prescribed for the charter of war-built cargo vessels in subsection (e) of this section.

(2) Charters existing on June 30, 1950, with respect to passenger vessels may be continued until December 31, 1951, or until expiration thereof by the terms of their provisions.

(Mar. 8, 1946, ch. 82, § 5, 60 Stat. 43; June 28, 1947, ch. 161, § 2, 61 Stat. 191; June 30, 1950, ch. 427, § 3, 64 Stat. 308; Aug. 31, 1954, ch. 1175, 68 Stat. 1050; Pub. L. 97-31, § 12(155), Aug. 6, 1981, 95 Stat. 167; Pub. L. 101-225, title III, § 307(12), Dec. 12, 1989, 103 Stat. 1925.)

REFERENCES IN TEXT

The Merchant Marine Act, 1936, as amended, referred to in subsec. (f)(1), is act June 29, 1936, ch. 858, 49 Stat. 1985, as amended. Title VII of the Merchant Marine Act, 1936, is classified generally to subchapter VII (§ 1191 et seq.) of chapter 27 of Title 46, Appendix, Shipping. For complete classification of this Act to the Code, see section 1245 of Title 46, Appendix, and Tables.

AMENDMENTS

1989—Subsecs. (a), (b), (d). Pub. L. 101-225 struck out subsec. (a) which related to charter of vessels to citizens and publication of domestic prewar cost as a prerequisite, subsec. (b) which related to rate of charter hire, and subsec. (d) which related to computation of charter hire where an operator is engaged in both foreign and domestic trade.

1981—Subsec. (a). Pub. L. 97-31, § 12(155)(A), (B), substituted “Secretary” for “Commission” and “his” for “its” wherever appearing.

Subsec. (b). Pub. L. 97-31, § 12(155)(A), substituted “Secretary” for “Commission” wherever appearing.

Subsec. (d). Pub. L. 97-31, § 12(155)(C), substituted “Secretary of Transportation” for “Maritime Commission”.

Subsec. (e). Pub. L. 97-31, § 12(155)(D), (E), substituted “Maritime Administration” for “Federal Maritime Board” and “Secretary of Transportation” for “Secretary of Commerce” wherever appearing.

Subsec. (f)(1). Pub. L. 97-31, § 12(155)(E), substituted “Secretary of Transportation” for “Secretary of Commerce”.

1954—Subsec. (f)(1). Act Aug. 31, 1954, allowed the chartering of war-built passenger vessels.

1950—Subsecs. (e), (f). Act June 30, 1950, added subsecs. (e) and (f).

1947—Subsec. (d). Act June 28, 1947, added subsec. (d).

AUTHORIZATION FOR PAYMENTS BY SECRETARY OF COMMERCE TO PERSONS TO WHOM HE CHARTERED VESSELS

Pub. L. 85-721, Aug. 21, 1958, 72 Stat. 710, provided: “That the Secretary of Commerce [now Secretary of

Transportation] is authorized to pay to any person to whom he has chartered any vessel under authority of section 5 of the Merchant Ship Sales Act of 1946, as amended (50 U.S.C. App., sec. 1738), out of the Vessel Operations Revolving Fund established in chapter VIII of the Third Supplemental Appropriations Act, 1951 [46 App. U.S.C., sec. 1241a], an amount equal to the fair and reasonable expenses incurred by such person, as determined by the Maritime Administrator, during the calendar year beginning January 1, 1957, to activate such vessel. Such amount shall be reduced by the amount of the difference, as determined by the Maritime Administrator, between the charter hire which such person paid for such vessel, and the charter hire which was paid for similar vessels which the United States activated at its own expense during such calendar year.”

§ 1738a. Repealed. Pub. L. 101-225, title III, § 307(13), Dec. 12, 1989, 103 Stat. 1925

Section, acts June 29, 1949, ch. 281, § 2, 63 Stat. 349; Aug. 6, 1981, Pub. L. 97-31, § 12(156), 95 Stat. 167, provided for termination of charters, except passenger vessel charters.

§ 1738b. Omitted

CODIFICATION

Section, Pub. L. 94-121, title III, Oct. 21, 1975, 89 Stat. 628, which related to conditions for chartering vessels, was from the Department of Commerce Appropriation Act, 1976, and was not repeated in subsequent appropriation acts. Similar provisions were contained in the following prior appropriation acts:

Oct. 5, 1974, Pub. L. 93-433, title III, 88 Stat. 1199.
Nov. 27, 1973, Pub. L. 93-162, title III, 87 Stat. 649.
Oct. 25, 1972, Pub. L. 92-544, title III, 86 Stat. 1124.
Aug. 10, 1971, Pub. L. 92-77, title III, 85 Stat. 260.
Oct. 21, 1970, Pub. L. 91-472, title III, 84 Stat. 1054.
Dec. 24, 1969, Pub. L. 91-153, title III, 83 Stat. 417.
Aug. 9, 1968, Pub. L. 90-470, title III, 82 Stat. 682.
Nov. 8, 1967, Pub. L. 90-133, title III, 81 Stat. 425.
Nov. 8, 1966, Pub. L. 89-797, title III, 80 Stat. 1494.
Sept. 2, 1965, Pub. L. 89-164, title III, 79 Stat. 634.
Aug. 31, 1964, Pub. L. 88-527, title III, 78 Stat. 726.
Dec. 30, 1963, Pub. L. 88-245, title III, 77 Stat. 791.
Oct. 18, 1962, Pub. L. 87-843, title III, 76 Stat. 1093.
Aug. 3, 1961, Pub. L. 87-125, title II, 75 Stat. 274.
May 13, 1960, Pub. L. 86-451, title I, 74 Stat. 97.
July 13, 1959, Pub. L. 86-88, title I, 73 Stat. 204.
June 25, 1958, Pub. L. 85-469, title I, 72 Stat. 231.
June 13, 1957, Pub. L. 85-52, title I, 71 Stat. 74.
June 20, 1956, ch. 415, title I, 70 Stat. 318.
June 30, 1955, ch. 253, title I, 69 Stat. 231.
July 2, 1954, ch. 456, title III, 68 Stat. 426.
Aug. 5, 1953, ch. 328, title III, 67 Stat. 381.
July 5, 1952, ch. 578, title II, 66 Stat. 414.
Aug. 31, 1951, ch. 376, title II, 65 Stat. 286.
Sept. 6, 1950, ch. 896, Ch. VIII, title I, 64 Stat. 717.
Oct. 10, 1949, ch. 662, title I, 63 Stat. 743.

§§ 1739, 1740. Repealed. Pub. L. 101-225, title III, § 307(12), Dec. 12, 1989, 103 Stat. 1925

Section 1739, acts Mar. 8, 1946, ch. 82, § 6, 60 Stat. 43; Aug. 6, 1981, Pub. L. 97-31, § 12(154), 95 Stat. 167, provided for sale of vessels to non-citizens, sales conditions and priority of mortgage on unpaid balance.

Section 1740, acts Mar. 8, 1946, ch. 82, § 7, 60 Stat. 44; Sept. 26, 1950, ch. 1049, § 2(a)(2), 64 Stat. 1038; Sept. 27, 1979, Pub. L. 96-70, § 3(b)(5), 93 Stat. 455; Aug. 6, 1981, Pub. L. 97-31, § 12(154), 95 Stat. 167, provided for order of preference in sales and charters, determining relevant factors, and operation of commercial vessels by Government.

§ 1741. Exchange of vessels

(a) to (c) Repealed. Pub. L. 101-225, title III, § 307(12), Dec. 12, 1989, 103 Stat. 1925

(d) Transfer of substitute vessels

In the case of any vessel constructed in the United States after January 1, 1937, which has

been taken by the United States for use in any manner, the Secretary, if in his opinion the transfer would aid in carrying out the policies of this Act [sections 1735 to 1746 of this Appendix], is authorized to transfer to the owner of such vessel another vessel which is deemed by the Secretary to be of comparable type with adjustments for depreciation and difference in design or speed, and to the extent applicable, adjustments with respect to the retained vessel as provided for in section 9 [section 1742 of this Appendix], and such other adjustments and terms and conditions, including transfer of mortgage obligations in favor of the United States binding upon the old vessel, as the Secretary may prescribe.

(Mar. 8, 1946, ch. 82, § 8, 60 Stat. 45; Pub. L. 97-31, § 12(154), Aug. 6, 1981, 95 Stat. 167; Pub. L. 101-225, title III, § 307(12), Dec. 12, 1989, 103 Stat. 1925.)

AMENDMENTS

1989—Subsecs. (a) to (c). Pub. L. 101-225 struck out subsecs. (a) to (c) which related to allowance as credit on purchase price and vessels acceptable, amount of allowance, and transfers in settlement of claims, respectively.

1981—Pub. L. 97-31 substituted “Secretary” for “Commission” wherever appearing.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 26 section 1061.

§ 1742. Repealed. Pub. L. 94-412, title V, § 501(g), Sept. 14, 1976, 90 Stat. 1258

Section, acts Mar. 8, 1946, ch. 82, § 9, 60 Stat. 46; Aug. 6, 1956, ch. 1013, 70 Stat. 1068, made provision for price adjustments on prior sales of surplus war-built vessels to citizens.

SAVINGS PROVISION

Repeal not to affect any action taken or proceeding pending at the time of repeal, see section 501(h) of Pub. L. 94-412, set out as a note under section 1601 of Title 50, War and National Defense.

§ 1743. Repealed. Pub. L. 101-225, title III, § 307(12), Dec. 12, 1989, 103 Stat. 1925

Section, acts Mar. 8, 1946, ch. 82, § 10, 60 Stat. 49; Aug. 6, 1981, Pub. L. 97-31, § 12(154), 95 Stat. 167, limited eligibility for benefits under Merchant Ship Sales Act of 1946.

§ 1744. National Defense Reserve Fleet

(a) Fleet components

The Secretary of Transportation shall maintain a National Defense Reserve Fleet, including any vessel assigned by the Secretary to the Ready Reserve Force component of the fleet, consisting of those vessels owned or acquired by the United States Government that the Secretary of Transportation, after consultation with the Secretary of the Navy, determines are of value for national defense purposes and that the Secretary of Transportation decides to place and maintain in the fleet.

(b) Permitted uses

Except as otherwise provided by law, a vessel in the fleet may be used—

- (1) for an account of an agency of the United States Government in a period during which vessels may be requisitioned under section 902

of the Merchant Marine Act, 1936 (46 App. U.S.C. 1242); or

- (2) on the request of the Secretary of Defense, and in accordance with memoranda of agreement between the Secretary of Transportation and the Secretary of Defense, for—

(A) testing for readiness and suitability for mission performance;

(B) defense sealift functions for which other sealift assets are not reasonably available; and

(C) support of the deployment of the United States armed forces in a military contingency, for military contingency operations, or for civil contingency operations upon orders from the National Command Authority;

- (3) for otherwise lawfully permitted storage or transportation of non-defense-related cargo as directed by the Secretary of Transportation with the concurrence of the Secretary of Defense; or

(4) for training purposes to the extent authorized by the Secretary of Transportation with the concurrence of the Secretary of Defense.

(c) Ready Reserve Force management

(1) Minimum requirements

To ensure the readiness of vessels in the Ready Reserve Force component of the National Defense Reserve Fleet, the Secretary of Transportation shall, at a minimum—

(A) maintain all of the vessels in a manner that will enable each vessel to be activated within a period specified in plans for mobilization of the vessels;

(B) activate and conduct sea trials on each vessel at least once every twenty-four months;

(C) maintain in an enhanced activation status those vessels that are scheduled to be activated within 5 days;

(D) locate those vessels that are scheduled to be activated within 5 days near embarkation ports specified for those vessels; and

(E) notwithstanding section 2109 of title 46, United States Code, have each vessel inspected by the Secretary of the department in which the Coast Guard is operating to determine if the vessel meets the safety standards that would apply under part B of subtitle II of that title if the vessel were not a public vessel.

(2) Vessel managers

(A) Eligibility for contract

A person, including a shipyard, is eligible for a contract for the management of a vessel in the Ready Reserve Force if the Secretary determines, at a minimum, that the person has—

(i) experience in the operation of commercial-type vessels or public vessels owned by the United States Government; and

(ii) the management capability necessary to operate, maintain, and activate the vessel at a reasonable price.

(B) Contract requirement

The Secretary of Transportation shall include in each contract for the management

of a vessel in the Ready Reserve Force a requirement that each seaman who performs services on any vessel covered by the contract hold the license or merchant mariner's document that would be required under chapter 71 or chapter 73 of title 46, United States Code, for a seaman performing that service while operating the vessel if the vessel were not a public vessel.

(e)¹ Exemption from tank vessel construction standards

Vessels in the National Defense Reserve Fleet are exempt from the provisions of section 3703a of title 46, United States Code.

(Mar. 8, 1946, ch. 82, §11, 60 Stat. 49; June 28, 1947, ch. 161, §1, 61 Stat. 190; Feb. 27, 1948, ch. 78, §1(a), 62 Stat. 38; Feb. 28, 1949, ch. 12, 63 Stat. 9; June 29, 1949, ch. 281, §1, 63 Stat. 349; June 30, 1950, ch. 427, §2, 64 Stat. 308; Pub. L. 97-31, §12(157), Aug. 6, 1981, 95 Stat. 167; Pub. L. 101-115, §6, Oct. 13, 1989, 103 Stat. 693; Pub. L. 101-225, title III, §307(12), Dec. 12, 1989, 103 Stat. 1925; Pub. L. 102-241, §57, Dec. 19, 1991, 105 Stat. 2234; Pub. L. 102-587, title VI, §6205(a), Nov. 4, 1992, 106 Stat. 5094; Pub. L. 104-106, div. A, title X, §1014(b), Feb. 10, 1996, 110 Stat. 424; Pub. L. 104-239, §9, Oct. 8, 1996, 110 Stat. 3133.)

AMENDMENTS

1996—Subsec. (b)(2). Pub. L. 104-239, §9(1), substituted “of the Secretary of Defense” for “of the Secretary of the Navy”.

Subsecs. (c), (d). Pub. L. 104-239, §9(2), redesignated subsec. (d) as (c) and struck out former subsec. (c) which read as follows: “The Secretary of Transportation shall not require bid, payment, performance, payment and performance, or completion bonds from contractors for repair, alteration, or maintenance of vessels of the National Defense Reserve Fleet unless—

“(1) required by law; or

“(2) the Secretary determines, after investigation, that the imposition of such bonding requirements would not preclude any responsible potential bidder or offeror from competing for award of the contract.” Subsec. (e). Pub. L. 104-106 added subsec. (e).

1992—Subsec. (b). Pub. L. 102-587 amended subsec. (b) to read as if it had not been repealed by Pub. L. 101-225. See 1989 Amendment note below.

1991—Subsec. (d). Pub. L. 102-241 added subsec. (d).

1989—Pub. L. 101-225 struck out subsec. (b) as it appeared after a general amendment by Pub. L. 101-115, see below. See also 1992 Amendment note above.

Pub. L. 101-115 amended section generally. Prior to amendment, section read as follows:

“(a) The Secretary of Transportation shall place in a national defense reserve (1) such vessels owned by the Department of Transportation as, after consultation with the Secretary of the Army and the Secretary of the Navy, he deems should be retained for the national defense, and (2) all vessels owned by the Department of Transportation on June 30, 1950, for the sale of which a contract has not been made by that time, except those determined by the Secretary of Transportation to be of insufficient value for commercial and national defense purposes to warrant their maintenance and preservation, and except those vessels, the contracts for the construction of which are made after September 2, 1945, under the provisions of the Merchant Marine Act, 1936, as amended. A vessel under charter on March 1, 1948, shall not be placed in the reserve until the termination of such charter. Unless otherwise provided for by law, all vessels placed in such reserve shall be preserved and maintained by the Secretary of Transportation for the

purpose of national defense. A vessel placed in such reserve shall in no case be used for any purpose whatsoever except that any such vessel may be used for account of any agency or department of the United States during any period in which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936, as amended, and that any such vessel may be used under a bare-boat charter entered into pursuant to authority vested in the Secretary of Transportation on July 1, 1950, or granted to the Secretary of Transportation after such date.

“(b) Any war-built vessel may be made available by the Secretary of Transportation to any State maintaining a marine school or nautical branch in accordance with the Act of July 29, 1941 (Public Law 191, Seventy-seventh Congress; 55 Stat. 607).”

1981—Subsec. (a). Pub. L. 97-31 substituted “Secretary of Transportation” first three times it appears for “Commission” and last two times it appears for “Secretary of Commerce”; “Department of Transportation” for “it”; and “he” for “it”.

Subsec. (b). Pub. L. 97-31 substituted “Secretary of Transportation” for “Commission”.

1950—Subsec. (a). Act June 30, 1950, amended subsec. (a) to provide that a vessel placed in reserve may not be used for any purpose whatsoever except (1) for the account of any Federal agency or department during the period in which vessels may be requisitioned under section 1242 of Title 46 and (2) and any such vessel may be used under a bare-boat charter entered into pursuant to the authority vested in the Secretary of Commerce.

1949—Subsec. (a). Joint Res. June 29, 1949, extended provisions of section from June 30, 1949, to June 30, 1950. Joint Res. Feb. 28, 1949, extended provisions of section from Mar. 1, 1949, to June 30, 1949.

1948—Subsec. (a). Act Feb. 27, 1948, extended provisions of section from Mar. 1, 1948, to Mar. 1, 1949.

1947—Subsec. (a). Act June 28, 1947, extended provisions of section from Dec. 31, 1947, to Mar. 1, 1948.

EFFECTIVE DATE OF 1992 AMENDMENT

Section 6205(a) of Pub. L. 102-587 provided in part that: “The effective date of this subsection [amending this section] is December 12, 1989.”

VESSEL REPAIR AND MAINTENANCE PILOT PROGRAM

Section 16 of Pub. L. 104-239 provided that:

“(a) IN GENERAL.—The Secretary of Transportation shall conduct a pilot program to evaluate the feasibility of using renewable contracts for the maintenance and repair of outported vessels in the Ready Reserve Force to enhance the readiness of those vessels. Under the pilot program, the Secretary, subject to the availability of appropriations and within 6 months after the date of the enactment of this Act [Oct. 8, 1996], shall award 9 contracts for this purpose.

“(b) USE OF VARIOUS CONTRACTING ARRANGEMENTS.—In conducting a pilot program under this section, the Secretary of Transportation shall use contracting arrangements similar to those used by the Department of Defense for procuring maintenance and repair of its vessels.

“(c) CONTRACT REQUIREMENTS.—Each contract with a shipyard under this section shall—

“(1) subject to subsection (d), provide for the procurement from the shipyard of all repair and maintenance (including activation, deactivation, and dry-docking) for 1 vessel in the Ready Reserve Force that is outported in the geographical vicinity of the shipyard;

“(2) be effective for 1 fiscal year; and

“(3) be renewable, subject to the availability of appropriations, for each subsequent fiscal year through fiscal year 1998.

“(d) LIMITATION OF WORK UNDER CONTRACTS.—A contract under this section may not provide for the procurement of operation or manning for a vessel that may be procured under another contract for the vessel

¹ So in original. Probably should be “(d)”.

to which section 11(d)(2) of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1774(d)(2)) applies.

“(e) GEOGRAPHIC DISTRIBUTION.—The Secretary shall seek to distribute contract awards under this section to shipyards located throughout the United States.

“(f) REPORTS.—The Secretary shall submit to the Congress—

“(1) an interim report on the effectiveness of each contract under this section in providing for economic and efficient repair and maintenance of the vessel included in the contract, no later than 20 months after the date of the enactment of this Act [Oct. 8, 1996]; and

“(2) a final report on that effectiveness no later than 6 months after the termination of all contracts awarded pursuant to this section.”

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1738 of this Appendix; title 10 section 2218; title 46 section 3703a; title 46 App. sections 1132, 1152, 1160.

§ 1745. Reconversion of vessels for normal commercial operation; applicability of other laws to construction contracts; coastwise trade; disposition of moneys; Great Lakes trade

(a) The Secretary is authorized to reconvert or restore for normal operation in commercial services and to convert for operation on the Great Lakes, including the Saint Lawrence River and Gulf, and their connecting waterways, including removal of national defense or war-service features, any vessel authorized to be sold or chartered under this Act [sections 1735 to 1746 of this Appendix]. The Secretary is authorized to make such replacements, alterations, or modifications with respect to any vessel authorized to be sold or chartered under this Act [said sections], and to install therein such special features, as may be necessary or advisable to make such vessel suitable for commercial operation on trade routes or services or comparable as to commercial utility to other such vessels of the same general type.

(b) to (e) Repealed. Pub. L. 101-225, title III, § 307(12), Dec. 12, 1989, 103 Stat. 1925.

(Mar. 8, 1946, ch. 82, § 12, 60 Stat. 49; Sept. 28, 1950, ch. 1093, § 1, 2, 64 Stat. 1078; Pub. L. 97-31, § 12(158), Aug. 6, 1981, 95 Stat. 168; Pub. L. 101-225, title III, § 307(12), Dec. 12, 1989, 103 Stat. 1925.)

AMENDMENTS

1989—Subsecs. (b) to (e). Pub. L. 101-225, which directed repeal of subsecs. (b) to (f), was executed by striking out subsecs. (b) to (e) as the probable intent of Congress because there was no subsec. (f). Subsecs. (b) to (e) provided in subsec. (b) that section 202 of the War Mobilization and Reconversion Act was inapplicable to contracts of the Commission for or relating to construction of ships, in subsec. (c) that no vessel sold or chartered to a citizen of the United States be prohibited from engaging in the coastwise trade of the United States merely because it was under foreign registry on or after May 27, 1941, in subsec. (d) that all moneys received be deposited in the Treasury to the credit of miscellaneous receipts, and in subsec. (e) that the Secretary make allowances to purchasers of not more than ten vessels sold for exclusive use on the Great Lakes.

1981—Subsecs. (a), (c), (d). Pub. L. 97-31, § 12(158)(A), substituted “Secretary” for “Commission” wherever appearing.

Subsec. (e). Pub. L. 97-31, § 12(158)(B), substituted “Secretary of Transportation” for “Secretary of Commerce”.

1950—Subsec. (a). Act Sept. 28, 1950, § 1, provided for conversion for operation on the Great Lakes, including

the Saint Lawrence River and Gulf, and their connecting waterways.

Subsec. (e). Act Sept. 28, 1950, § 2, added subsec. (e).

§ 1745a. Repealed. Pub. L. 101-225, title III, § 307(14), Dec. 12, 1989, 103 Stat. 1925

Section, Pub. L. 86-315, Sept. 21, 1959, 73 Stat. 588, accorded Great Lakes vessels operation status of documented vessels.

§ 1746. Repealed. Pub. L. 99-386, title I, § 107, Aug. 22, 1986, 100 Stat. 822; Pub. L. 101-225, title III, § 307(12), Dec. 12, 1989, 103 Stat. 1925

Section, acts Mar. 8, 1946, ch. 82, § 13, 60 Stat. 50; Aug. 6, 1981, Pub. L. 97-31, § 12(154), 95 Stat. 167, required submission of quarterly reports by Secretary to Congress with respect to all activities or transactions under sections 1735 to 1746 of this Appendix not covered by any previous such report.

Pub. L. 89-348, § 2(1), Nov. 8, 1965, 79 Stat. 1312, modified this section to require annual instead of quarterly reports.

REHABILITATION OF PHILIPPINES

ACT APR. 30, 1946, CH. 243, 60 STAT. 128

§§ 1751 to 1763. Omitted

PAYMENT OF BALANCE OF AWARDS TO PHILIPPINES

Pub. L. 87-616, Aug. 30, 1962, 76 Stat. 411, as amended by Pub. L. 88-94, § 3, Aug. 12, 1963, 77 Stat. 122, provided:

“[SEC. 1. *Conditions; limitations on amount*]. That the Foreign Claims Settlement Commission (hereafter in this Act referred to as the “Commission”) shall provide, out of funds appropriated pursuant to this Act, for the payment of the unpaid balance of awards heretofore made by the Philippine War Damage Commission under title I of the Philippine Rehabilitation Act of 1946 [sections 1751 to 1763 of this Appendix]. No payment shall be made under this Act to any person, or to his successors in interest, on account of any award unless payment was made on such award under the Philippine Rehabilitation Act of 1946 [sections 1751 to 1806 of this Appendix], and the maximum amount paid under this Act, when added to amounts paid under the Philippine Rehabilitation Act of 1946 [sections 1751 to 1806 of this Appendix] and section 7 of the War Claims Act of 1948 [section 2006 of this Appendix] on account of any claim shall not exceed the aggregate amount of claims approved in favor of such claimant after reduction under the last proviso of section 102(a) of the Philippine Rehabilitation Act of 1946 [section 1752(a) of this Appendix], or \$25,000, whichever is the lesser. All payments under this Act in amounts over 25,000 pesos or equivalent value in dollars shall be subject to the provisions of section 104(c) of the Philippine Rehabilitation Act of 1946 [section 1754(c) of this Appendix].

“SEC. 2. [*Applications; commencement and duration of period; determination of Commission*]. Within sixty days after the enactment of this Act [Aug. 30, 1962], or of legislation appropriating for administration expenses incurred in carrying out this Act, whichever is later, the Commission shall prescribe and publish in the Federal Register and give appropriate publicity in the Republic of the Philippines concerning the period, not in excess of twelve additional months, within which application must be filed under this Act. The Commission shall complete its determination and take final action with respect to applications filed under this Act not later than one year after the last date on which applications may be filed.

“SEC. 3. [*Publicity to payments provisions; notice to claimants*]. The Commission shall give maximum publicity in the Republic of the Philippines to the provisions of this Act, and through utilization of the records of the former Philippine War Damage Commission shall attempt to notify individual claimants of their right to